

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

Case No. 17-BK-3283 (LTS)

Jointly Administered

**VERIFIED STATEMENT OF THE AD HOC
GROUP OF CONSTITUTIONAL DEBTHOLDERS PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

The ad hoc group of certain unaffiliated funds, accounts, and/or managers of funds or accounts (collectively, the “Ad Hoc Group of Constitutional Debtholders”) holding bonds issued or guaranteed by the Commonwealth of Puerto Rico (the “Commonwealth,”) and the bonds issued or guaranteed by the Commonwealth, the “Constitutional Debt”) hereby submits this verified statement (this “Statement”), as contemplated by Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”)² and the *Order Further Amending Case Management Procedures to (A) Reschedule the September 2018 Omnibus Hearing, (B) Provide that Parties are No Longer Required to Provide Service of Paper Courtesy Copies on the Court, and (C) Provide Certain Clarifying Changes Regarding the Disclosure Requirements for Rule*

¹ The Debtors in these title III cases, along with the last four digits of each Debtor’s federal tax identification number, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (No. 17-BK-3283-LTS) (3481); (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (No. 17-BK-3566-LTS) (9686); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (No. 17-BK-3567-LTS) (3808); (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (No. 17-BK-3284-LTS) (8474); and (v) Puerto Rico Electric Power Authority (“PREPA”) (No. 17-BK-4780-LTS) (3747).

² Made applicable to these Title III cases by Section 310 of PROMESA. See 48 U.S.C. § 2170.

2019(b) Groups [ECF No. 3730]. In support of this Statement, the Ad Hoc Group of Constitutional Debtholders respectfully states as follows:

1. In August 2018, the Ad Hoc Group of Constitutional Debtholders formed and, contemporaneously therewith, retained Morrison & Foerster LLP (“Morrison & Foerster”) and G. Carlo-Altieri Law Offices, LLC (“G. Carlo-Altieri” and, together with Morrison & Foerster, “Counsel”).

2. The members of the Ad Hoc Group of Constitutional Debtholders hold disclosable economic interests or act as investment managers or advisors (or are affiliates of entities which act as investment managers or advisors) to funds and/or accounts that hold disclosable economic interests in relation to the Commonwealth. Based upon information provided to Counsel by the members of the Ad Hoc Group of Constitutional Debtholders, attached hereto as Exhibit A is a list of the names, addresses, nature, and amount of disclosable economic interests of each member of the Ad Hoc Group of Constitutional Debtholders with respect to the Commonwealth as of August 21, 2018.

3. In addition to the Ad Hoc Group of Constitutional Debtholders, as of the date of this Statement, Counsel has also represented the PBA Funds³ in connection with the Title III Cases.⁴

³ See Supplemental Verified Statement of the PBA Funds Pursuant to Federal Rule of Bankruptcy Procedure 2019 [ECF No. 3299].

⁴ G. Carlo-Altieri has also been retained by: (a) a provider of utility services to the Commonwealth and/or its related instrumentalities and public corporations; (b) a corporation and its related entities holding potential litigation and trade claims against HTA and the Commonwealth and/or its related instrumentalities and public corporations; and (c) a corporation holding potential trade claims against PREPA. G. Carlo-Altieri has advised these clients with respect to the Commonwealth’s restructuring generally, and has prepared and filed proofs of claim on behalf of certain of these entities. On June 20, 2018, G. Carlo-Altieri filed the *Motion for Relief from Stay* [ECF No. 3321] on behalf of a creditor of HTA, which was subsequently withdrawn on July 3, 2018. See *Notice of Voluntary Withdrawal of Motion to Lift the Automatic Stay* [ECF No. 3423].

4. Nothing contained in this Statement (or Exhibit A hereto) should be construed as a limitation upon, or waiver of, any rights of any member of the Ad Hoc Group of Constitutional Debtholders to assert, file, and/or amend any claim or proof of claim filed in accordance with applicable law and any orders entered in these cases.

5. Counsel reserves the right to amend this Statement as necessary in accordance with the requirements set forth in Bankruptcy Rule 2019.

[Signature page follows]

Dated: August 27, 2018

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Counsel for the Ad Hoc Group of Constitutional Debtholders

Exhibit A

**Names, Addresses and Disclosable Economic Interests of the
Ad Hoc Group of Constitutional Debtholders¹**

<u>Name of Creditor²</u>	<u>Address</u>	<u>Nature and Amount of Disclosable Economic Interest</u>
Candlewood Investment Group, LP	777 Third Avenue Suite 19B New York, NY 10017	<u>Constitutional Debt</u> \$20,084,000
Fir Tree Partners	55 West 46th Street 29th Floor New York, NY 10036	<u>Constitutional Debt</u> \$716,407,000
First Pacific Advisors, LLC	11601 Wilshire Boulevard Suite 1200 Los Angeles, CA 90025	<u>Constitutional Debt</u> \$199,540,000
Inglesea Capital LLC	7800 SW 57th Avenue Unit 308 South Miami, FL 33143	<u>Constitutional Debt</u> \$17,480,000
Mason Capital Management, LLC	110 East 59th Street New York, NY 10022	<u>Constitutional Debt</u> \$390,714,000
Silver Point Capital, L.P.	Two Greenwich Plaza Greenwich, CT 06830	<u>Constitutional Debt</u> \$137,229,000
VR Global Partners, L.P.	190 Elgin Avenue, George Town Grand Cayman, Cayman Islands, KYI-9005	<u>Constitutional Debt</u> \$397,182,000

¹ To the best of Counsel's knowledge, the information included herein is accurate as of August 21, 2018. The amounts set forth herein include only outstanding principal and do not include any other amounts that may be due and owing under the applicable debt documents and laws, including but not limited to any overdue or compounded interest. Capital appreciation bonds are reported at their accreted value as of August 21, 2018.

² Each entity on this Exhibit A holds disclosable economic interests or acts as investment manager or advisor (or is an affiliate of entities which act as investment manager or advisors) to funds and/or accounts that hold disclosable economic interests in relation to the Debtors.